

In response to a question asked at the Mandatory Pre-Proposal Meeting on March 22, 2013, the following document is the Scope of Work for a Rate Case Review Study that was awarded to Utility Advisors' Network, Inc., 3213 Lake George Cove Dr., Orlando FL 32812.

The project is complete. Portions of the final report from this study will be available to the successful proposer.

MILWAUKEE WATER WORKS

REQUEST FOR QUOTE

For Issuance of Service Order

Identification of Data Needs for Development of Record for Water Rate
Increase Request to Public Service Commission of Wisconsin and
Recommendation for Cost-Effective Strategies to Collect Identified Data

Due: June 30, 2011
2:00 p.m. CST

At the office of Milwaukee Water Works
841 North Broadway, Room 409
Milwaukee, WI 53202

Introduction

Milwaukee Water Works seeks a qualified individual or firm to review documentation associated with the utility's recent rate case heard by the Public Service Commission of Wisconsin, enumerate and evaluate data gaps that were identified during the process, and recommend cost-effective strategies that Milwaukee Water Works could employ to prepare a robust record for future rate cases.

Background

Milwaukee Water Works (MWW) is the drinking water utility owned by the City of Milwaukee and regulated by the Public Service Commission of Wisconsin (PSC). The utility provides drinking water, fire suppression, and public health protection to the City of Milwaukee and 15 surrounding communities.

MWW serves 10 wholesale suburban clients which receive water from MWW, and operate their own water utilities, billing customers and owning and maintaining the distribution systems in their communities. Wholesale customers are Brown Deer, Butler, Greendale, Menomonee Falls, Mequon, Milwaukee County Grounds, New Berlin, Shorewood, Wauwatosa, and West Allis. MWW owns and maintains the water mains in retail communities, which receive full water service, including billing of customers. Retail suburban customers are Greenfield, Hales Corners, St. Francis and a portion of Franklin. The Village of West Milwaukee receives billing services from the MWW but owns and maintains its own distribution system.

Reason for Study

In September of 2009, MWW submitted a Water Rate Case Application to the PSC. As the revenue requirements, rate of return discussions, and cost of service study proceeded, it became apparent that there were gaps in the data available to the PSC staff. These gaps required the staff to make assumptions in the rate-making. It became clear that future rate-making would benefit from additional data so that these gaps could be filled and minimize or eliminate assumptions.

Scope of Services and Deliverables

MWW is seeking a qualified individual or firm to review rate case-related documentation that formed the record for PSC Docket 3720-WR-107 Milwaukee Water Works for Authority to Increase Water Rates, summarize data gaps that were identified in the proceedings, describe how additional data to fill these gaps might impact the rate-making outcome, and propose cost-effective strategies that MWW could implement in the near term to generate data to fill these gaps.

The consultant shall review the documents related to the rate increase request, including direct, rebuttal and surrebuttal testimonies of MWW, PSC staff and interveners, details of the revenue requirement, cost of service, and rate design, and various data requests and replies. All documentation is available on the PSC website in Docket 3720-WR-107.

The consultant shall identify and summarize aspects of the rate-making which would have benefitted from additional or more recent data, and shall provide a conceptual explanation of how this additional data might have altered the assignment of costs to various customer classes.

The consultant shall recommend cost-effective strategies that MWW could put into effect to fill these gaps and/or generate additional data, with the objective of having a robust record to present at future rate increase proceedings.

The deliverables are a draft written report and final written report detailing and summarizing the findings related to data shortcomings, explaining how removing these uncertainties might impact the outcome of the ratemaking, and recommending strategies for MWW to implement to overcome these uncertainties. Eight copies of the draft written report, and eight copies of the final report plus an electronic copy of the final report, shall be submitted.

Requirements

Those interested in providing this service should submit:

- Contact information on a cover sheet, and
- A description of their qualifications and experience with municipal water utility rate-making as implemented by the PSC, and

- A quotation for the cost to carry out the project and produce the deliverable, as described above, and
- The description of qualifications and the quotation should not exceed two 8.5" x 11" pages, single-sided.

MWW will issue a service order to the qualified individual or firm:

- with the lowest quote for the described deliverable, and
- with a quote not exceeding \$25,000 (which is the maximum value for a MWW service order), and
- that can demonstrate compliance with City of Milwaukee Department of Public Works insurance requirements shown on pages 5 and 6.

Projected Schedule

Service request issued	June 20, 2011
Quotations due to MWW	June 30, 2011 at 2:00 p.m.
Selection of successful quote	Week of July 5, 2011
Project kick-off meeting	Week of July 11, 2011
Progress meeting	Week of July 25, 2011
First draft of report to MWW	Week of August 8, 2011
Meeting to review MWW comments on first draft	Week of August 15, 2011
Final copy of report	August 31, 2011

Contact Information

Any questions shall be submitted in writing via e-mail or fax to:

Carrie Lewis, Superintendent
 Milwaukee Water Works
 Fax: (414) 286-2672
 E-mail: carrie.lewis@milwaukee.gov

**INSURANCE REQUIREMENTS FOR ALL PRIME AND SUB-CONTRACTORS
AS FOUND IN THE DPW GENERAL SPECIFICATIONS – EFFECTIVE 1-31-92**

a. Prior to the commencement of activities, the Vendor shall file with the City a Certificate of Insurance evidencing the specified coverage including the additional insured and cancellation endorsements. If you do NOT specify any particular contract, the Certificate will be sufficient for any contract awarded while the Certificate is in force. NOTE: Effective July, 1996, a prime contractor/vendor is responsible for assuring subcontractor compliance with all insurance requirements and the prime contractor/vendor will have on file on their premises all subcontractor Certificates.

b. COMMERICAL GENERAL LIABILITY, CONTRACTUAL COVERAGE, AND PROPERTY DAMAGE INSURANCE – Coverage to include occurrence form; premises/operational coverage; products/completed operations coverage including extension of coverage for two (2) years after the acceptance of the work by the City of Milwaukee; Independent contractor/vendors (Owners/Contractors Protective) coverage; Contractual liability for risks assumed in this agreement; No exclusion for explosion, collapse, or underground occurrences:

Bodily Injury -----	\$1,000,000 per occurrence \$1,000,000 aggregate
Property Damage -----	\$1,000,000 per occurrence \$1,000,000 aggregate

c. COMPREHENSIVE AUTOMOBILE LIABILITY AND PROPERTY DAMAGE – Coverage on all owned, non-owned, and hired vehicles:

Bodily Injury -----	\$1,000,000 per occurrence \$1,000,000 aggregate
Property Damage -----	\$1,000,000 per occurrence

d. UMBRELLA CONTRACTUAL COVERAGE – To include Occurrence form; First dollar defense coverage; insuring agreement, which will provide excess protection to the primary coverage:

Personal Injury/Property Damage -----	\$2,000,000 each occurrence \$2,000,000 aggregate
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e. WORKER'S COMPENSATION INSURANCE – Coverage Amounts:

Worker's Compensation Statutory Employers Liability	
Bodily Injury by Accident – Each Accident	\$100,000
Bodily Injury by Disease – Each Employee	\$100,000
Bodily Injury by Disease – Policy Limits	\$500,000
To Include: Other state's coverage United States Longshoremen and Harbor Workers Endorsement (Required only when the contract involves work on navigable bodies of water).	

Vendor shall furnish to the City, prior to the start of work, a Certificate of Insurance with ten (1) days notice of cancellation as proof that the Vendor carries statutory coverage of Worker's Compensation Insurance for all persons performing any work of service under the contract, as required by the Workmen's Compensation Act of the State of Wisconsin. A separate insurance certificate need not be submitted for each contract, if there is a Certificate on file. No Vendor or Subcontractor shall perform any work under the contract after the expiration or cancellation of the insurance until a new Certificate of Insurance is placed on file as proof of the required statutory coverage.

f. The City of Milwaukee shall be named as an additional insured in respect to liability coverage and will be given such notice as required by law in advance of cancellation, non-renewal or material change in any coverage. Also, please list as being for ALL DPW PROJECTS.

g. CANCELLATION PARAGRAPH TO READ: Should any of the above described policies be cancelled before the expiration thereof, the issuing company will mail within 10 days written notice to the certificate holder.

In any questions, please call 414-286-3314, Mary Jo Crawford – City of Milwaukee, Department of Public Works, 841 North Broadway, Room 507. Milwaukee, WI 53202.

AFFIDAVIT OF "NO INTEREST" MUST ACCOMPANY EACH CERTIFICATE OF INSURANCE ISSUED, INCLUDING NEW AND RENEWALS (See next page).

STATE OF)
)
COUNTY)

_____, BEING FIRST DULY SWORN, on

oath deposes and says that he/she is the agent of the

_____,
(Insurance or Bonding Company)

insurer on the attached certificate or bond issued to

_____.
(Name of Insured)

Affiant further deposes and says that no officer, official or employee of the City of Milwaukee has any interest, directly or indirectly, or is receiving any premium, commission, fee or other thing of value on account of the sale or furnishing of said insurance or bond.

Signature (same as it appears on the Certificate)

(Typed name and phone number)

Subscribed and sworn to before me this

_____ day of _____, 20____

(Notary Public)

My Commission expires _____